

DR 98-097

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Petition to Establish Interim Energy Assistance Program

Order Approving Interim Energy Assistance Program

O R D E R N O. 23,243

June 28, 1999

APPEARANCES: Dean, Rice and Kane by Robert E. Dunn, Jr., Esq. for the New Hampshire Electric Cooperative, Inc., Heidi Kroll for the Governor's Office of Energy and Community Service, Kenneth Traum for the Office of Consumer Advocate, and Tracy Guyette for the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On March 12, 1999, the New Hampshire Electric Cooperative, Inc. (Cooperative) filed with the New Hampshire Public Utilities Commission (Commission) a petition to implement an Interim Energy Assistance Program (EAP) and simultaneously reduce its Stranded Cost Charge. The Commission issued an Order of Notice on May 12, 1999 calling for a hearing on June 2, 1999. In the Order of Notice, the Commission found it would be more appropriate to address the Stranded Cost issue in the Cooperative's bi-annual Power Cost Recovery filing and limited the scope of the June 2, 1999 hearing to issues involving the Interim EAP. The Governor's Office of Energy and Community Service (ECS) requested full intervention in this docket on June 15, 1998 and was later granted full intervention at a pre-hearing conference held on June 24, 1998. No other intervenors to DR 98-097 appeared at the June 2, 1999 hearing although a

representative from Save Our Homes was present and given the opportunity to make remarks on the proposed filing. Save Our Homes supported the Cooperative's petition and asked that in the event that subscription exceeds current forecasts, the Cooperative increase the \$0.001/kWh surcharge to allow for more participants.

II. POSITIONS OF THE PARTIES AND STAFF

A. New Hampshire Electric Cooperative, Inc.

The Cooperative presented the testimony of its witness, Heather Saladino, Manager of Rates & Financial Analysis. At the hearing Ms. Saladino revised her pre-filed testimony to remove any reference to the requested change in Stranded Cost. The Cooperative proposes a reconciling surcharge of \$0.001/kWh, starting on July 1, 1999, to fund the Interim EAP. Customers who qualify for the Interim EAP would receive a 40 percent discount off delivery charges, which equates to an 11.2 percent to 16.6 percent discount off the entire bill for a Residential Rate D customer on default service, and 20.0 percent to 25.8 percent discount off the entire bill for a Residential Rate D customer who has chosen a competitive supplier. Eligibility for the program will be based upon verifiable participation by customers in social service programs with income level thresholds at or below 160 percent of the poverty level. The Cooperative would notify customers of the program through bill stuffers, mentioning

the program in its monthly newsletter, training customer service representatives to inform customers about the program, and by notifying low income advocate agencies who work with Cooperative customers. A one mil per kilowatt-hour surcharge would result in approximately \$567,000 collected annually. The Cooperative expects administrative costs to be \$50,000 in the first year, leaving \$517,000 to fund the distribution charge discount. In the event the program is over-subscribed, the Cooperative proposes to place those customers on a waiting list. The Cooperative asks that the \$0.001/kWh surcharge remain in effect until December 31, 1999, prior to which the Cooperative will update its proposal based upon experience in 1999 and make an annual filing for calender year 2000.

B. Office of Consumer Advocate.

The Office of Consumer Advocate (OCA) is supportive of the Cooperative's Interim EAP proposal. The only change they request is a trigger mechanism by which the Cooperative can petition the Commission to increase the surcharge prior to the January 1, 2000 filing to allow additional customers to participate in the program if the program is oversubscribed. In support of this position, the OCA noted that RSA 374-F:4, VIII.(c) permits a low income surcharge of not greater than \$0.0015 per kWh.

C. Governor's Office of Energy and Community Service

ECS supports the Cooperative's proposal to implement an Interim EAP and added several suggestions. Similar to the OCA and Save Our Homes, ECS suggests the Cooperative increase the 1 mil per kilowatt-hour surcharge, if necessary, for additional participants rather than develop a waiting list. ECS believes the Cooperative could better forecast its pool of eligible customers by using demographic data from the Office of State Planning and US Census Bureau. In addition, ECS recommends the Cooperative expand its marketing of the Interim EAP, and that the Cooperative submit a transition proposal once an estimated date for the statewide EAP is known. Monthly as opposed to quarterly reporting to the NHPUC is also recommended by ECS.

D. Staff

Commission Staff supports the Cooperative's Interim EAP as proposed by the Cooperative.

III. COMMISSION ANALYSIS

After hearing the testimony and reviewing the filing, we find the Cooperative's Interim EAP to be reasonable and in the public interest. The Cooperative's program will provide interim assistance to low income customers expeditiously and within the recommended guidelines of the Low Income Working Group. In light of the Cooperative's willingness to comply with the recommendation that the program be expanded should it be oversubscribed before the end of this program period, we will

direct the Cooperative to monitor the EAP funding and return to the Commission should it desire to increase the surcharge to serve more customers if it becomes apparent that the EAP funds would be exhausted before the end of the program period.

Based upon the foregoing, it is hereby

ORDERED, the New Hampshire Electric Cooperative's Interim EAP is approved as filed on March 11, 1999 and amended on June 2, 1999.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of June, 1999.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary